

INDIANA FINANCE AUTHORITY
REQUEST FOR PROPOSALS
DATED JULY 29, 2010
NATURAL GAS MARKETING SERVICES

RESPONSE TO QUESTIONS

- Q:** When do you expect the facility to be operational and producing natural gas?
- Q:** When will gas start?
- Q:** When exactly do you expect SNG to begin being available for delivery to market? Is SNG already flowing?
- Q:** What is the estimated plant start-up date?
- Q:** What is the expected on-line date of the plant?
- A:** **The new facility is expected to be operational and producing natural gas in 2015.**
- Q:** What is the anticipated output of the facility in MMBtu per day?
- Q:** Can you give an estimated daily volume of SNG you expect to be marketed under this agreement?
- Q:** Volume of gas, and flow characteristics (constant output or swings in rate expected)?
- Q:** What volumes are expected to be distributed on a daily basis?
- Q:** How much daily SNG volume is expected to be produced from the plant? Are volumes expected to be steady, or are they expected to vary? At start-up do you expect volume to be volatile for a while?
- Q:** Can you tell me an estimate of the plant output? What type of volume variance do you expect day-to-day?
- A:** **The annual output is expected to be 46.5 million MMBtu when the facility is fully operational. Output is expected to be generally constant.**
- Q:** Where is the physical location of the plant?
- Q:** Approximately where is the plant?
- Q:** Location?
- A:** **The proposed facility is expected to be located in Rockport, Indiana.**
- Q:** What natural gas pipelines currently service the coal gasification plant?
- Q:** Pipelines that will be connected to the gas output and any transport that will be contracted for use by the manager?
- Q:** Could you send a list of pipelines that are currently installed or plan to be installed for transport away from the facility?
- Q:** Which pipeline(s) do you anticipate serving the plant?
- Q:** Does the IFA have any contracted capacity with the connecting pipeline(s)?
- Q:** Will the owner of the facility have any natural gas transportation (interstate, intrastate, or LDC)?
- A:** **The proposed plant is expected to be constructed in Rockport, Indiana. A connection to existing pipeline will be constructed as part of that process.**
- Q:** Pricing: do you want a “market” price (varies with the daily gas market pricing) or fixed pricing, or some of each?
- Q:** Does the IFA anticipate a particular type of pricing for their SNG (daily index, monthly index or fixed price)?
- A:** **The IFA’s intent is to maximize price, including the potential to sell a significant quantity in a long-term contract once reliability is established.**

- Q:** Does the IFA wish to have a percentage netback of sales price, a market price less all costs or a simple fee for marketing services?
- A:** **At a minimum, the IFA will need a simple fee-for-service quote, but is open to other proposals as well.**
- Q:** Does the IFA anticipate hedging any of their SNG production? If so, will the IFA do so with the marketer?
- A:** **The IFA does not anticipate hedging.**
- Q:** Would a shorter term be considered for the marketing agreement?
- A:** **The initial term of the agreement is expected to be 10 years commencing from the date that commercial production of SNG begins, but this term may be negotiated.**
- Q:** Are NIPSCO, Vectren, and Citizens and other local utilities contracted to buy most of the gas?
- A:** **No. All of the gas will be sold in the market.**
- Q:** Can the marketer buy gas from the plant?
- A:** **The IFA would expect that to be a conflict, but would entertain a proposal.**
- Q:** If a prospective marketer doesn't have an office in Indiana will they be considered for this agreement?
- A:** **The IFA will not disqualify a respondent because they do not occupy an Indiana office; however the IFA supports the "Buy Indiana" initiative. It is a strong preference that respondents meet the definition of an Indiana Business. Please refer to the following website to see if you fit within the definition and to learn more about the "Buy Indiana" initiative:
<http://www.in.gov/idoa/proc/buyindiana.html>.**
- Q:** In reading the required respondent information, the questions seem to imply that the respondent be an entity of "substantial size" in number of employees. Is there a minimum requirement for a firm to be considered?
- A:** **There is no minimum size requirement for firms responding to this RFP.**
- Q:** Can you please confirm the deadline for responses to be August 23, 2010?
- Q:** What is the actual deadline for response? If it was July 28th, can we still provide a proposal?
- A:** **The deadline to respond to this RFP is no later than 5:00 p.m. EDT on Monday, August 23, 2010. A corrected RFP has replaced the previous RFP. Also, please remember that all questions must be received no later than 5:00 p.m. EDT on Thursday, August 12, 2010.**
- Q:** How many companies was the RFP sent to?
- A:** **The RFP was publicly advertised in Gas Daily and on the IFA Web site.**